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NATIONAL REVIEW

Bulletin

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Let's jot down the U.S. team's score for 1963 to date: 1) Skybolt canceled, thus 2) guaranteeing that Britain cannot develop an independent nuclear weapons system and 3) preventing extension of the useful life of the B-52s by turning them into Skybolt carriers. 4) Dismantling of IRBM bases in Turkey, Italy and Britain. 5) Progressive recall of B-47 intermediate range nuclear bombers from North African and European bases, and shutting down of these bases, with phasing out of B-47 system promised. 6) Recall of 20,000 U.S. troops from Europe, with announced plans for further recall of at least 20,000 more. 7) Continued refusal to authorize production of a long-range supersonic bomber (RS-70). 8) Continued refusal to intervene directly, officially, in Cuba. 9) All-out effort to divert French project for an independent nuclear weapons system. 10) Reduction of U.S. strategic armament to Minuteman system mounted at fixed sites on continental United States territory, plus Polaris system, based on the high seas far from Soviet land boundaries.

Small wonder that the dopesters, first in Europe and now in this country, are beginning to murmur about a Kennedy-Khrushchev deal! Kennedy is delivering, they hint, on the pledges he made in return for Khrushchev's promise to ship his missiles back home from Cuba, to soften his rough talk on Berlin, and to . . . to . . . well, just *what*, one wonders? Not to call off his subversion of the Caribbean and Latin America from his Cuban beachhead, certainly: that proceeds full tilt, as the latest act of piracy—supinely accepted as usual by the U.S. Navy under its present Commander-in-Chief—so blatantly symbolizes. Not to help put an end to the fierce guerrilla war for Southeast Asia, nor to halt the imperialist expansion of his friend Sukarno, wielding a billion dollars' worth of Moscow-supplied arms. Not to drop the uncompromising insistence that a test ban will be on Moscow's terms only. Not to soften the tone of his psywar attack on Polaris itself, and his terrorist campaign to try to stop U.S. allies from offering their ports as Polaris bases. Not to make him pause before repeating once more for all the world to hear, this time with his arm around the Chinese ambassador, that he and his comrades will bury us.

This is no deal, citizens—even if the President believes from some secret chatting with Khrushchev's emissaries that he has made one. What this series of U.S. actions has now gone far enough to show is this: that Mr. Kennedy has initiated a policy of *unilateral disengagement*, accompanied by unilateral disarmament measures. On a world scale he is ordering a strategic withdrawal from confrontation with the enemy. The reply of the enemy is natural and automatic: he moves forward, by his own chosen methods, to fill the gaps.

The WEEK

⊙ The President has asked Congress to establish a "school of diplomacy" ($8 million) in Washington, D.C. Has he discovered that our diplomats, when faced with Learning By Doing, don't?

⊙ In an effort to grease the rails for his tax proposals, President Kennedy consulted with Senate Democrats on the possibility of packing the Senate Finance Committee with two additional Democrats of White House persuasion. But the Legislative branch is not without some memory of the two battles over the House Rules Committee. Those the Administration won; that was enough. The Senate promised to assert its independence of the White House, and that so discomfited the White House that it decided it really hadn't ever dreamt of anything at all, at all, by way of packing the Finance Committee. So Senator Mansfield played sacrificial lamb, announced the whole scheme had been exclusively his own, and hoped thereby to exonerate the White (wash) House. But it was no go. The Senate was sufficiently exasperated to tell the right people, and there are still enough right people around (such as columnist Arthur Krock) to get the truth printed. Score Senator Mansfield one-up for party loyalty, and the Senate one-up in imagemanship.

⊙ Senator Goldwater treated Los Angeles to a horizon-ranging anti-Communist speech on Lincoln Day, and among other things took the Administration to task for much of our trouble with de Gaulle. De Gaulle, said the

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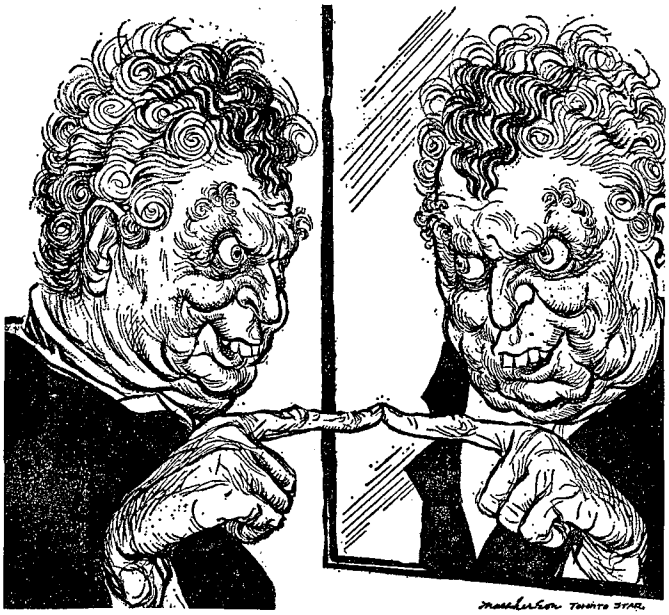
Senator, has good reason to strive for an independent strategic position, because de Gaulle has no faith in the U.S. will to resist Communism. If, for example, a Communist Cuba means so little to Washington, what is Berlin to Washington, or for that matter, what is Europe?



"Thou for me and I for ye . . . who needeth them?"

● Several weeks before the recent state convention of Young Republicans in California, it became apparent that a solid majority of the delegates would support a Goldwater Republican for State Chairman. The Liberal YR opposition took up the now-familiar cry that—uh-huh—the John Birch Society was trying to "take over" the California YRs. The press picked up the cry and hallooed it nationwide, and the delegates must have been sore tempted to disprove the allegation by electing someone utterly untainted by conservatism. But the California Young Republicans declined to be stampeded. Two weekends ago they duly elected Goldwater Republican Robert Gaston of Los Angeles—a blunt conservative, though not a JBS member—and his entire slate. With the California YR now reaffirming its conservatism, GOP Liberals may note with some interest that the national YR convention will be held this coming June in—San Francisco, California.

● Some twenty Ghanaian students have dropped their courses in Bulgaria and headed home, fed up with the political indoctrination forced upon scholarship students and totally disillusioned with Communist brotherhood. "There was more racial discrimination in this Communist country than there could be in any so-called capitalist country," said one spokesman; "we are absolutely certain that this discrimination was not incidental, but backed from above—by the Communist authorities." According to reports, several hundred African and Asian students still in Bulgaria are eager to escape the Communist curriculum.

● Freshman Senator Edward Kennedy has been assigned to the prestigious Labor and Judiciary Committees of the Senate. Somebody down here likes him.

● If Russia had a free press, the next Premierial press conference on the subject of Iraq would probably go like this. Question: Comrade Khrushchev, is it not true that you welcomed the revolution of Col. Arif which overthrew the oppressive government of Gen. Kassem in Iraq? *Da.* If that is so, how do you explain that Col. Arif's forces are, even now, hunting down, imprisoning and murdering our revolutionary comrades of the Communist Party of Iraq? *Da.* And isn't Col. Arif mowing down our comrades with the very arms which our own overburdened taxpayers supplied to Iraq? *Kto znaet?* Will he not use even more of these arms—guns which our technicians have taught his soldiers to shoot, tanks which our technicians have taught his cavalrymen to drive, planes which our technicians have taught his pilots to fly—against the national liberation army of the Kurds, many of whose leaders we have trained and much of whose equipment we have supplied and whose ardor we keep at fever pitch with daily radio broadcasts? *Koniechno.* Why is it, Comrade Khrushchev, that while Comrade Ulbricht's radio denounces Col. Arif's regime, you prepare to reopen our embassy in Baghdad? In short, Comrade Khrushchev, whose side are you on? *Georgi!* (Deputy Foreign Secretary Georgi Ballsky steps to the fore.) "Comrade Khrushchev has asked me to ask you what you thing this is, a free country or something? His answer is: 'Shutupski!' "

● Communist Party organizer Albert Bernhardt told a Canadian university audience in January that his party would end ill treatment of men by men. A pure case of fitting the tactics to the situation. The meeting was at Middlesex College.

● Although the decline in the purchasing power of the dollar has slowed down in recent years, the threat of further decline has not disappeared, and such things as the deliberate deficits of the Kennedy Administration can only make the threat more immediate. The threat of inflation, coupled with the increasing industrial use of silver, has brought about a steep rise in the price of silver, to 126 cents an ounce. A silver dollar will be worth as much in metal as it is in money if the silver price nudges up to 129 cents an ounce. People who distrust the paper dollar have started converting to silver dollars. The American Institute for Economic Research has reported that the U.S. Mint is working overtime, trying to keep up with the extraordinary demand for metallic coin.

● *We are at war with Eurasia. We have always been at war with Eurasia. We will always be at war with Eurasia* Dept.: The *Worker* carries a brief interview with a veteran of the "Defense of Volgograd," formerly the Siege of Stalingrad, before that, maybe, the Tstorming of Tsaritsyn. Anyway, X marx the spat.

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FOCUS ON ○ ○ ○

1. The Left

The question of which means, peaceful coexistence or tactical recourse to military force, will best advance the cause of world socialism, is treated at length for the first time by the Communist Party U.S. in a supplement, entitled "The Debate," to the current *Worker*. "The Debate" is a call to the faithful to renew efforts to dominate the U.S. "peace" movement, and ultimately to maneuver U.S. policy toward unilateral disarmament. It has the added purpose of diverting the Western intelligensia into hotter pursuit of the "Sino-Soviet rift."

Robert Shelton, a copy editor for the *New York Times,* has been convicted of contempt of Congress a second time for his refusal to answer questions concerning his Communist affiliations posed by the Senate Internal Security Subcommittee during a 1956 investigation of Communist infiltration of news media. Shelton's original conviction was reversed by the U.S. Supreme Court on technical grounds. In handing down the decision, U.S. District Judge Leonard Walsh confirmed that the Subcommittee was engaged in a valid investigation.

East Germany shudders with controversies about art. Specifically, a white vase displayed at an art exhibition in Dresden last autumn. "A pipe broken off at each end," cried the Communist Party newspaper. A reader responded, "I like that simple white vase—does this make me ideologically mixed up?" The censor intoned, "The difference between socialist and capitalist notions of form." Prize-winning artist Gisela May wrote, "Now innocent vases are being smashed with an ideological hammer."

The *Worker* (Feb. 17) takes note, with horror, of the recent article by Frank Meyer, "Just War in the Nuclear Age." After quoting Meyer's remarks about the moral problem involved in a determination to win victory over Communism in the nuclear age, the paper says, "Such views are no less dangerous when put forward by adherents of socialism. . . ."

2. The Congo

UN Under Secretary Robert Gardiner has denied atrocities charged to his troops in Katanga by Catholic authorities in Elisabethville and Brussels. In reply to accusations that UN troops shot hospital patients, he pointed to the necessity of Ethiopian troops "cleaning out" Katanga's "gendarmerie" in the Lumumbashi hospital, and said the only casualties were a patient shot in the thigh and another one grazed. He dismissed charges of looting of churches [*Bulletin*, Jan. 22], saying that his troops found churches desecrated when they arrived. Finally, he said there was "no evidence" that Ethiopians had slaughtered 70 civilians in one operation.

UN officials are worried that new secessionist outbreaks

PEOPLE: Connecticut Democrats fear White House meddling may lose them one Senate seat. They're alarmed by informed inside reports Administration would like to jettison effective anti-Communist Sen. **Thomas B. Dodd** next time around. Name most prominently mentioned as possible Dodd replacement: Democratic National Chairman **John Bailey,** an early JFK supporter and crony of Conn. junior Sen. **Abraham Ribicoff.** . . . Dodd is not ingratiating himself with Executive branch by demanding institution of immediate severe quarantine of Cuba. . . . His own party giving Pres. **Kennedy** hard time on Cuba. On Presidential statement that no U.S. $ would go to Cuba via UN agricultural grant, Rep. **Otto Passman** (La.), a foreign aid expert, comments, "Nonsense." . . . On the Hill, House Rules Committee resolution curbing overseas congressional junkets is known as "**Powell** Amendment" (as in the Rev. **A.C. Jr.**). . . . Movement started by Dr. **A.D. Stozier** of Houston, Tex., to get one million signatures on "Nominate **Goldwater**" petitions between now and Convention time being taken up by conservative Young Republican Clubs. . . . In New York, Gov. **Nelson Rockefeller** bracing against modern-day Whiskey Rebellion. Liquor and restaurant interests claim his proposed sharply graduated liquor license fees will put many eateries and retail package stores out of business. Their estimate: a moderately prosperous NYC liquor store now paying $800 fee would, under new tax plan, be charged between $28,000 and $30,000 a year.

Lt. Col. **José Antonio González,** "most wanted" man on Venezuelan Communists' list, has just survived seventh assassination attempt. González was prosecutor of military tribunal which recently handed out tough sentences to twelve captured Communist guerrillas. . . . Columnists **Robert Allen** and **Paul Scott** report **Fidel Castro** putting thousands of acres of farmland into poppies to produce bumper heroin crop with which a) to bring in revenue, b) help finance subversion throughout Latin America. . . . In the Congo, Gen. **Mobutu** has ordered the arrest of 40 Angolan terrorists trying to cross the border into Angola wearing uniforms of Central Congolese Army. . . . Portuguese authorities have warned Algerian leader **Ben Bella** that any Algerian guerrillas they catch in Angola will be executed. Algerian troops are training Angolan terrorists on Congolese territory.

Comforting thought for imprisoned supporters of former Iraqi strongman Gen. **Kassem. Hazem Jawad,** Minister of State in government which overthrew Kassem, announces that the public trials his government proposes to stage will be "much better than in Kassem's time."

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could occur in Katanga, since only 1,200 Katanga troops out of a total of 15,000 have surrendered to the Central Government. The rest have gone into the bush.

Back in Léopoldville, a food crisis looms as Bakongo tribesmen of neighboring Central Congo Province set up roadblocks to halt food shipments. Food is scarce throughout the Congo, and Bakongos don't want the hated Bangalas who throng Léopoldville to eat while they starve. Cyrille Adoula, a Bangala, wants to smash the roadblocks, but is deterred from strong action by Joseph Kasavubu, "uncrowned King of the Bakongos."

Long-lost Soapy Williams bubbled to the surface in Léopoldville last week to pledge U.S. support for Angolan independence.

3. NYC Newspaper Strike

Now well into its third month, and bidding fair to last until June, the New York City newspaper strike has begun to affect municipal finances. Retail stores, unable to sell through newspaper ads, have felt a slump in sales. The city feels a proportional slump in revenues from its retail sales tax. Possibly as a result of the strike-induced tax slump, the city is considering a city income tax.

Meanwhile, the 3,000 printers on strike are doing rather well. State unemployment benefits have commenced, at about $50 a week. Besides this income the strikers receive an allotment from the union which raises the total to from $114 to $135 a week. Much of their income is thus tax-free.

But the thousands of members of the Newspaper Guild don't fare quite so well. Their union treasuries are exhausted. The $50 a week from the state is about all they get. Best guess is that some direct, heavy pressure from the Guild will have a lot to do with bringing the Printers Union around—or even bypassing it.

First successful strike of Printers Union was in Philadelphia, 1886: they held out for, and got, $1 a day.

4. Indonesia

Col. Rusmin Nuryadin, of the Indonesian General Staff, reports Indonesia is concentrating missiles on the borders of North Borneo, as threat both to Great Britain and the British-sponsored Malaysia Federation. He repeats that 100,000 Indonesian "volunteers" are ready to support the Brunei rebels.

A mysterious jamming station has blanked out many of Radio Malay's English-language and Malayan broadcasts in the last fortnight. Officials in Kuala Lumpur believe the station is located in northern Sumatra; they are sure Indonesia received it from Soviet Russia.

But Malaya fights back. She's planning to draw out her 800-man contingent in the Congo. She has joined with neighboring Thailand, which has been having its own troubles with Communist infiltrators since the "neutral-

° At Home °

Washington

Did President Kennedy make any commitments to Comrade Khrushchev in return for a token withdrawal of Soviet armed might in Cuba? This question is considered strictly academic on Capitol Hill. Except for Chairman J. William Fulbright of the Senate Foreign Relations Committee, there is a remarkable degree of agreement that the Administration has embarked full tilt on a policy of disengagement—the Liberal term for retreat—in Cuba and Europe.

Experts studying the military budget are convinced that Defense Secretary McNamara's record-breaking requests for cash will give the U.S. far less power than is required for the national security. Mr. McNamara, it is believed, has been substituting the concept of "nuclear stalemate" for the policy most Americans still believe to be in force—overwhelming nuclear superiority.

It is no longer denied that the Strategic Air Command is slated for the junk heap. But congressional critics take more than this into account in assessing Mr. McNamara's position. They point to a step-by-step reduction of American power. This began with the Administration's refusal to put the B-70 or RS-70 bomber into production. It has been followed by:

- Scrapping the Skybolt missile program which would have given tremendous flexibility to U.S. and NATO striking power.
- Slashing production of missiles. The Air Force program for 2,000 Minuteman missiles by 1968 has been reduced 50%.
- Junking 45 Jupiter missile bases in Turkey and Italy, as well as the Thor bases in Great Britain.
- Reducing U.S. forces in Europe by 40,000 troops.
- Scrapping the B-58 bomber program.
- Bringing back the B-47 jet bombers from European bases.

Specious arguments about the superiority of a Polaris defense and the need for continued modernization of U.S. forces in Europe have been employed to support these moves. But they have no pertinency when applied to the most recent step, now in the trial balloon stage. The Defense Department, under the tutelage of its IBM whiz kids, hopes to remove from our European forces the Davy Crockett atomic gun. The Davy Crockett, let it be noted, is a tactical weapon of great importance—the American "equalizer" since its fire power makes up for Soviet numerical superiority.

At the present time, the Pentagon is simply hinting that there will be a cutback in the number of Davy Crocketts to each division. (The original plan was for 30.) The whiz kids, slide rule at the ready, have been

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steadily disputing the need for the Davy Crockett—though the Joint Chiefs are in full agreement as to its importance. When the decision to call in this atomic gun is announced, "economy" will undoubtedly be suggested as one of the reasons for the move.

But billions could be chopped off the $53 billion military budget simply by doing away with sole-source contracts now being negotiated by procurement officers. Though Pentagon regulations call for competitive bidding in all except emergency cases, some 85% of all contracts are still on a sole-source basis—sending costs skyrocketing. Secretary McNamara, however, lives in a privileged sanctuary. The Republican legislators who should be most antagonistic to him are deluded by Mr. McNamara's prior tenure as president of the Ford Motor Company. The Administration, moreover, makes full use of the Secretary's nominal Republican affiliation. Mr. McNamara has not, up to date, satisfactorily explained his alliance with what has come to be called in Washington "Bobby Kennedy's Peace-at-any-Cost Corps."

It is becoming increasingly obvious that, in show biz lingo, the President's tax-cut-and-reform is a real bomb. No one, whether to the Right, Left, or Center, likes it—and the economists now testifying before the Joint Economic Committee each day demonstrate the essential absurdity of Mr. Kennedy's efforts to carry water on both shoulders. That the Presidential proposal is meeting stiffening opposition is recognized at the White House.

So, instead of offering a wilted carrot of prosperity, the President is brandishing the stick of recession. This is a deliberate shift in strategy, one carefully worked out by the President's advisers. Fear of recession or depression, Mr. Kennedy has been told, will mobilize popular sentiment behind his tax plan. But though he has failed to invigorate the debate, he has aroused the *Washington Post* which continues its zig-zag course in politics and economics. The *Post* warns Mr. Kennedy that the new line is difficult to justify since it "strains the credulity of the skeptical and substitutes blind fear." And it adds that by waving the bloody rag of depression, the Kennedy Administration shakes the confidence of the business community and frightens away those with venture capital.

This censure from a friendly newspaper will not deter the President. He was ready to play Russian roulette with statistics during his election campaign by claiming a "missile gap" which seriously hurt U.S. prestige. He is hardly likely to be stopped by the dismay of businessmen. It may be that the President is in no position to decide on strategy. There is a school of thought in Washington which holds that the most powerful Kennedy is not John but Robert.

QUINCY

ization" of Laos, in a drive to mop up Communist guerrillas in their common border areas.

Prime Minister Abdul Rahman of Malaya responds to Sukarno's threats that he will not permit the formation of the Malaysia Federation thus: "I am 60 today and outside and inside of me I am all peace. But if they ever dare to fight us then we will accept the challenge. This time we really mean business and I have told the Indonesians so through our embassy in Jakarta."

BRIEFS: European diplomats predicting fast snuffout of Washington sputtering against de Gaulle. De Gaulle, they say, has reminded U.S. that France and West Germany hold mortgage on large chunks of what Fort Knox holds. . . . No-nonsense: 1) Nikita Khrushchev denounces new Franco-German entente as "treaty of war," 2) de Gaulle cancels taped Khrushchev interview on French TV. . . . **Having successfully tested the prototype, France will go into nuclear arms business in earnest this year and produce a bomb with three times the power of Hiroshima weapon, but smaller and easier to handle.** . . . East German *Neues Deutschland* warned: "The city will slowly perish if West Berliners register a strong anti-Communist vote." Result: some 89.9% of eligible voters braved rain and sleet in last week's municipal election to bury Communist candidates, who got only 1.35% of vote.

A poll of nearly 2,700 Dutch Socialist leaders on unilateral disarmament shows a heartening 2,641 opposed to it; only 46 in favor. . . . In Katanga, miners have refused to work in the Kipushi area (which produces 25% of the Congo's copper) until Ethiopian troops are removed. They fear their homes will be looted, their wives molested if they leave either unguarded. . . . French newspapers report disillusionment in Egypt with Nasser's Yemen venture. The Yemen war is costing UAR $800,000 a day and casualties are heavy. Supporters of the deposed Iman—who control much of the hinterland—show no mercy to captured Egyptians. . . . **Portugal and South Africa—prime targets of native African imperialists—are setting up joint chamber of trade and industry in Johannesburg to promote commercial ties between the two countries.**

African students at Moscow's Friendship University (alias Patrice Lumumba University), where they are subjected to rigid segregation, have nicknamed their Alma Mater "Apartheid U."

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• Trends •

When President Kennedy unveiled his record $98.8 billion budget for public inspection, he took great pains to argue that the spending increases it contained were necessitated by national defense. This spending, he explained, was compelled by the rigors of the Cold War.

Although the President's argument is inaccurate (non-defense spending is increased by the budget for fiscal '64), it is by now so traditional that no one bothers to challenge it very effectively. For the past decade, Americans have been told they must give unstintingly of their tax money in order to overcome the menace of Communism. More armaments, more foreign aid, more money for the UN, more spending for space exploration —all are premised on theory that no outlay of treasure is unreasonable if it thwarts Communist designs to destroy us.

Given the normal instincts of patriotism and self-preservation, the American people have accepted this argument and the augmented spending and crushing taxes it supports. The last fortnight, however, has brought forth information which may evoke skepticism in the mind of even the most bovine taxpayer. For it develops that some of those tax dollars, piously gathered to "fight Communism," are being used for precisely the opposite purpose.

Recent news dispatches have produced two examples of American tax money going to subsidize Communist nations and enterprises. Both involve the United Nations —alleged by the Kennedy Administration to be America's great hope in the struggle with the Soviet Union. Both make it clear that, contrary to New Frontier mythology, the UN is fatally compromised with the enemy it is supposed to defend us against.

The most shocking of these examples is a $1.5 million aid project for Communist Cuba, authorized by the United Nations Special Fund. The money will be used to shore up Castro's sagging agricultural economy. The Fund's managing director, Paul Hoffman, himself an American and former chief of the Fund for the Republic (a New Frontier favorite), attempted to mitigate things by saying not "one single American dollar" will go to finance the project.

Yet the fact of the matter is that American tax dollars underwrite two-fifths of the Fund's operation; which means any project it undertakes, whatever the particular dollars used, is perforce subsidized by us at our pro rata share of 40%. Realizing as much, U.S. officials have protested the grant verbally, but at this writing that is all they have done.

The second instance of UN aid and comfort for Moscow was revealed in a United Press International dispatch for February 13. UPI reported that the United Nations Educational, Scientific and Cultural Organization (UNESCO), a UN appendage, had released a booklet attacking Western nations for "colonialist oppression" and describing the Soviet Union as "a brotherhood of free and equal peoples." The pamphlet, written by two Russians, says "it was the Communist Party which showed the peoples of Russia the true way to free themselves from social and national oppression."

In case there is anyone who hasn't guessed, the largest contributor to the organization which published these tidings is none other than the United States. The U.S. taxpayer picks up one-third of the bill for UNESCO, which reciprocates by allowing straight Communist propaganda to be published under its auspices.

These are not, incidentally, the only examples of American tax funds paying the tariff for the Communists. Two other instances, involving similar transfers of funds, came to light last year. In August 1962, as the Soviet Union stuffed Cuba with soldiers and missiles the Kennedy Administration said weren't there, another UPI dispatch disclosed that "the United States will continue to supply Communist Cuba with funds through the Pan American Health Organization." A motion was before the health group, meeting in Minneapolis, to expel Cuba. UPI reported that "delegation chiefs, including U.S. Surgeon General Luther Terry," struck this "controversial topic" from the agenda. The wire service concluded: "The result is that Cuba will continue to receive PAHO funds, 66% of which are provided by the United States."

At about the same time, Congressman E. Ross Adair (R., Ind.) revealed the Kennedy Administration had used American foreign aid money—appropriated to "fight Communism"—to pay up the assessments of various nations (including Cuba and other Soviet satellites) for the United Nations action in the Congo.

The Kennedy regime, Adair disclosed, had handed over some $11.4 million to the UN as a "voluntary contribution" to pay off the Congo expenses. The UN in turn reduced the assessments of 78 nations by sums totalling the identical amount. Among these were Albania (owed $32,000; we paid $25,600); Bulgaria (owed $160,000; we paid $128,000); Cuba (owed $176,000; we paid $140,800); Poland (owed $1,024,000; we paid $512,000); Yugoslavia (owed $304,000; we paid $243,200).

Thus the American taxpayer, long-suffering in the belief that he was being bankrupted in the good cause of facing down the Bolsheviks, paid off the bulk of these Communist nations' assessments for the Congo aggression —allowing them to keep their good standing in the world organization.

Add the approximately $3 billion in direct aid that we have given to Poland and Yugoslavia, and American subvention of such adventures as a Soviet "showplace" hospital in Cambodia: it becomes apparent that, if our officials do not take the palm as fighters of Communism, neither will they win any prizes for candor.

M. Stanton Evans

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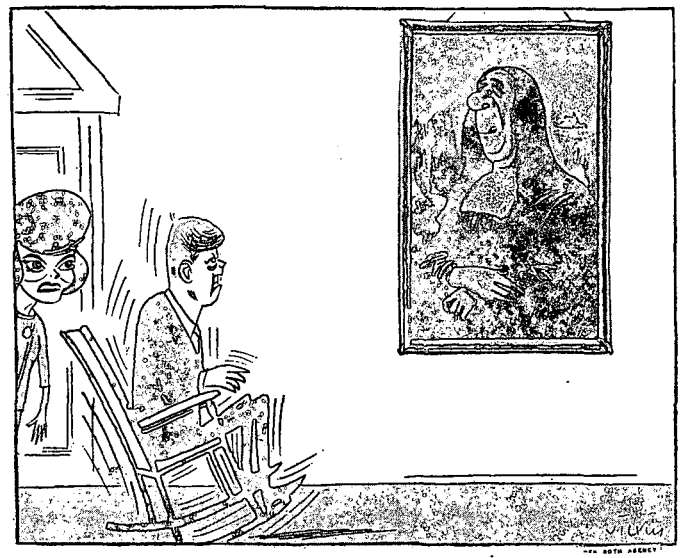
° Abroad °

Ankara. The withdrawal of Jupiter nuclear missiles from this country is sure to have profound political and strategic effects. Turkey, occupying a historic point of maximum Russian pressure, has been one of the stanchest nations in the anti-Communist front. In spite of her exposed position she has bluntly resisted Soviet threats and Soviet blandishments, and has dealt harshly with domestic Communists. Her soldiers had one of the finest records of any contingent in the Korean war. Her army, inevitably a major factor for the strategic equilibrium in the eastern Mediterranean and the entire Middle East, is larger than any in Western Europe. President Kennedy's decision means, in substance, a downgrading of Turkey in the Western alliance. It will be followed by cuts in the aid funds that have made it possible for Turkey to maintain her strategic posture, and a slacking in political attention from the Western powers. Inside Turkey it must lead to a basic review of international alignments. This has indeed already begun. A parliamentary delegation will visit Moscow in May—the first such approach in more than thirty years.

Melbourne, Australia. The fact that rabbits, soon after their importation into this continent, became a major pest is well known. Few non-Australians realize that this is also true of nearly every other animal introduced from the outside: among them, fox, camel, donkey and horse. The hundreds of thousands of wild horses, called "brumbles," which roam the inland districts, have been much romanticized in fiction and movies. Actually, they are useless for any purpose of riding, racing, pulling or breeding, and the destination of the thousands that are captured yearly is the slaughter houses of the big cities, where they are ground up into pet food. At the moment, the Australian pro-animal societies are mounting a drive against what they allege to be the accompanying cruelty to brumbles.

Geneva. A number of the shrewdest observers in this notoriously non-ideological country believe that the "Grand Design," "Anglo-Saxon barbarism," "Europe from the Atlantic to the Urals" and other high-sounding abstractions have a lot less to do with de Gaulle's policies than is generally supposed. They think the heart of the matter to be what it is for most politicians in this age of the masses: keeping the voters happy. Essentially, they say, de Gaulle bases himself on the French farmers and rural population. French farms, always able to feed France itself, can do much more than that today, with their new equipment. The French farmers not only propose to keep their monopoly of the French market; they aim to replace American farmers in supplying the big West German food deficit. As they see it, the business of a Common Market is to keep out competition from cheap Commonwealth and American products, not to let it in. A year ago they forced the Common Market Commission to clamp a prohibitive tariff on American poultry. When it came to the showdown at Brussels, say these Swiss, de Gaulle saw the issue as Macmillan and Kennedy *vs.* the French farmers, and he chose his farmers.

Sana, Yemen. Although General Sallal's revolution has been politically inspired by Nasser's "Arab socialism" and militarily defended by ten thousand of Nasser's soldiers, it has also had full Soviet support from the outset. The Soviet Union, describing the revolt as "a heavy blow against the imperialists," was the first country to recognize the new regime. Sallal at once sent a mission to Moscow that was received at the highest level. Soviet arms, equipment, warships and technicians were soon arriving at the port of Hodeida. There are only a few Communists—principally students, some trained in Moscow and Peiping—in Yemen itself, but substantial Communist organizations exist both south, in Aden, and north, in Saudi Arabia. Moscow's objective, coinciding for the present phase with what Sallal proclaimed as he seized power, is a unified Republic ("nationalist democracy," in Moscow's language) of the entire Arabian peninsula.



Vicky, *London Evening Standard*

London. With the latest Gallup Poll showing the Conservatives running 15½ percentage points behind Labor, the odds are high that the Labor Party's newly elected chairman, Harold Wilson, will succeed Harold Macmillan as British Prime Minister, probably in May 1964 though possibly this coming autumn. No one doubts Mr. Wilson's personal brilliance. He took an easy First at Oxford in "Modern Greats" (politics, philosophy and economics) and in 1947, at the age of 31, became with his appointment as President of the Board of Trade the youngest member of a British cabinet since Pitt. Politically his defeat of George Brown was a victory for the Labor Party's Left. Mr. Wilson was long associated with Aneurin Bevan in the left-wing leadership. He opposed both Clement Attlee (from whose cabinet he finally resigned) and Hugh Gaitskell from a standpoint that could be summarized as: more socialism and fewer arms.

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° The Investor °

The dominant force behind the stock market for the next few weeks will be the earnings reports of the corporations—the welter of reports showing lush, soaring sales and balance sheets heavy with harvested profits. As in the last week or so, when these reports stimulated buying, they will, for the next several weeks, so inspire investors that wise heads on Wall Street are expecting an ascending price level in the immediate future.

As General Motors garnered the spotlight a fortnight ago by reporting the highest corporate profit in American history, so Chrysler took the center stage last week with its annual report showing a spectacular turnaround in the company's dismal, downward trend of the last several years. Profits were so good that directors proposed a two-for-one stock split; Chrysler stock promptly moved to a new high.

Analysts who concentrate on motors stocks credited Chrysler's unusual guarantees on its new cars with boosting its sales. A company that will back its products with a hard guarantee of five years or 50,000 miles on all moving parts can expect favorable consumer response, they said.

The sleeper in this picture is, of course, Ford, whose sales are good and earnings favorable. As the No. 2 in sales, it appears to be coming out No. 4 in popularity on the stock market, since even American Motors, with a somewhat hazy sales-and-profit picture, has nudged ahead of Ford in capturing the attention of investors.

Prediction: Look for Ford to come up with some engineering innovations with strong sales appeal, and intensification of its advertising campaign as the new green leaves herald the "car-buying season."

The stock market glamor has not been confined to the motors, however. Right across the industrial spectrum, with the outstanding exception of the steel companies, perky, pretty profits have been reported.

Even the weary old railroads, given a hormone and vitamin shot by new tax depreciation rates and investment credits, increased their net income to about $574,000,000, and, reacting predictably, investors have been bidding up prices of rail stocks. Upcoming too, of course, are some wholesome mergers, along with the possibility that the Federal Government will ultimately insist on a reduction in featherbedding on the rail systems, although union court action to restrain employment cutbacks is pending.

Such a bounty of good annual reports has made the investors—even the old professionals—a bit giddy. They react to the unusual sight of so much black ink the way they did, as striplings, when a new girl moved onto the block.

In time, possibly a couple of weeks, maybe longer, the glister will be dimmed and the stern realities will occupy the thoughts of investors. These were, after all, last year's figures. What counts is the business for 1963.

And that depends, in great measure, on the Administration and Congress; on taxes, the deficit, inflation and greater or lesser government controls.

Nothing is of greater concern to businessmen than taxes, and after the performances of Administration spokesmen, one suspects there's nothing more confusing. For example:

Treasury Secretary Dillon announced that unless Congress adopts the President's whole tax package—a tax cut along with structural reforms in the IRS code—he will urge the President to veto whatever tax bill does come from Congress.

Then Internal Revenue Commissioner Mortimer Caplin, in New York for a speech, dismissed opposition to the plan as purely political and said that in time the opponents (he implied they were all Republicans) will see the light.

Next, Walter Heller, chairman of the President's Council of Economic Advisers, making a strong television pitch for the tax cuts in their recommended Presidential form, implied that the President would accept some sort of compromise—perhaps a tax cut without reforms.

Finally, the President himself announced that he was open to bargaining so that he might push through the tax reductions along with some kind of reforms.

Anyone charged with running a business finds the confusion frustrating. At any rate, before the year is out, businessmen will probably find they are grateful that there is a Congress to backstop the tax planners. Before long investors, too, will begin to feel the frustration of the business executives.

Shorts on the Street

Airline stocks are receiving the attention of professional investors on the prospect of increased earnings. Most jets have been flying half-empty and earnings have been running at a dismal 2% of invested capital. Upcoming—less first-class service, emphasis on tourist and coach flights, and a general reduction in fares.

Expect Congress to go along with the Federal Deposit Insurance Corporation's recommendation that individual deposits be insured for $25,000 rather than the current $10,000. Last year not one bank failure was reported, the first year with a clean slate since the agency started in 1934.

Business failures are on the rise, but it may be a good sign. It means, for one thing, that more businesses are being started and more people are willing to risk their capital. Reason for the failures: lack of capital, lack of experience or know-how, poor location, tough competition, in that order.

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